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USSR - INLAND WATERWAY TRANSPORTATION

A. POLICIES

1. The Soviet State exclusively dominates the evolution of all economic policy including that governing inland waterways. As revealed by the Fourth Five-Year Plan, the basic Soviet policy with respect to navigable inland waterways calls for an extension of the system (from about 65,000 miles in 1940 to about 70,000 miles in 1950). While the Plan foresees an increase of 38 percent over pre-war traffic by 1950, it is evident that the major emphasis will be on restoration of war-damaged facilities; and that no substantial change in the relative importance of inland waterway transportation (accounting in 1940 for less than 10 percent of total Soviet traffic) will occur during the current Five-Year Plan. In view of the fact that extensive additions to the present network would be both practical and advantageous, long-range policy aspires to an ambitious program of inland waterway development. The main features of this program, which will be instituted under the Five-Year Plan, are as follows:
  - a) Reconstruction and improvement of the existing water system connecting the upper Volga and the Baltic Sea.
  - b) Joining of the Volga and the Don rivers by means of a canal below Stalingrad designed to permit Volga traffic to proceed directly to Rostov.
  - c) Construction of four canals which will afford Dnepr river traffic, including large size vessels, access to the Black Sea and the Baltic.
2. As in the instance of the other media of transport, policies for inland water transport are determined and administered by the responsible Ministry with some latitude for independent action, subject to the over-all control of the State Planning Commission (GOSPLAN). At the Cabinet level, there is coordination of operations of the Ministry of the River Fleet and those of the Ministry of the Merchant Marine which, under the Soviet administrative organization, is responsible for operations on the Caspian despite the fact that the Caspian is landlocked. There may be some minor coordination of air transport and inland water transport in remote areas.
3. While economic factors are dominant in Soviet inland waterway policy, strategic and military considerations are carefully weighed in both current and long-range planning. It is significant, for example, that a Soviet artificial waterway makes it possible to transfer light naval craft between the Baltic and the White Sea. Waterways also provide the only organized transportation in large areas of northern Siberia, and the rivers west of the Urals, navigable on a north-south axis, demonstrated in World War II their

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USSR - INLAND WATERWAY TRANSPORTATION (A-3 CONT'D)

logistic value as lateral arteries. Soviet policy with respect to the Danube suggests that the USSR, now a riparian state, intends to capitalize on its control of the lower Danube through which it has acquired a weapon of great strategic significance in Southeastern Europe.

4. On subsidization, the remarks contained in the Merchant Shipping and Highway Transportation studies (A-4) are applicable to Inland Waterway Transportation.
5. State policy on inland water transport is influenced principally by economic and geographic conditions. The need for a cheap form of transportation to augment and supplement rail capacity has been the principal economic factor. The extensive network of rivers available for exploitation and difficulties of terrain and climate have provided opportunities as well as problems of a geographic nature. Political and historical conditions and vested interests have played only minor roles in the determination of inland water transportation policy.

B. ORGANIZATION

1. The state agencies concerned with inland water transport are: (a) the Ministry of the River Fleet, (b) the Ministry of the Merchant Marine, and (c) the Ministry of Internal Affairs. Over-all planning of inland waterways and transportation is the responsibility of the State Planning Commission (GOSPLAN).
2. It is the function of the Ministry of the River Fleet to propose policy at the Cabinet level, to supervise the operation of river transport facilities and to control all administrative and technical matters relating to inland water transport (except those under the jurisdiction of the Ministry of the Merchant Marine). The Ministry of the Merchant Marine is similarly responsible for that portion of the Soviet fleet operating on the Caspian Sea. The Ministry of Internal Affairs is responsible for actual construction work on the canal systems of the state, which form valuable links between the inland waterways. The Ministry has no administrative authority over operation on the canals, however, that being the province of the Ministry of the River Fleet. The operations and plans of these Ministries are, like all other economic matters, subject to the over-all control of the State Planning Commission. The Ministries are organized into divisions, which have well-defined responsibilities such as finance, inspection, administration, technical aspects, etc.
3. The Ministries mentioned in B-1 above are not directly related to each other, but their activities are controlled and directed at the Cabinet level by the State Planning Commission. The breakdown of the Ministry of the River Fleet into a great number of subdivisions has probably resulted in the almost inevitable creation of administrative conflicts typical of this type of organization.

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USSR - INLAND WATERWAY TRANSPORTATION (B-4)

4. To administer various Communist government functions Commissariats were established in the USSR in 1918. The Commissariat of Communications, for example, was responsible for inland waterways until 1930 when a Commissariat of Water Transport was established. In 1939 this Commissariat was abolished and two Commissariats were formed to administer Maritime and River Transport respectively. In March 1946 the various Commissariats were replaced by Ministries, with no apparent change in function.
5. Dissatisfaction in higher government circles with the accomplishments of lower administrative levels has been reflected in the Soviet press by unusually severe criticism of negligence, bureaucracy, and delays which have impeded the restoration of badly damaged facilities and disrupted services to their pre-war levels of efficiency. Evidence of inefficiency is so unmistakable that the publicized announcement of the early attainment of 1947 freight transport objectives by the Ministry of the River Fleet is thought to have been rigged through a prior downward revision of the original goals.

C. ADMINISTRATIVE

1. The state establishes new inland water lines in accordance with the basic plans as determined by the State Planning Commission and the Ministry of the River Fleet. Projects for inland waterway development must compete for approval with all other items of the Soviet budget. The allocation of the USSR's strained resources is rigidly established in accordance with the Communist Party's conception of Soviet interests.
2. Rates for inland water transport are established by the carriers at levels calculated to produce reasonable operating profits. The transporting agency may be overruled, however, by the State Planning Commission in the over-all interests of the state, and aggrieved shippers can carry complaints to higher administrative echelons for resolution.
3. In the sense of competing for business, there is now little occasion for competition in the USSR, because over-all transportation capacity is inadequate and shippers are more likely to compete for space. Competition between modes of transport in the sense of interference by one form of transportation in the logical province of another is effectively discouraged by the Soviet Government. The pervasive control of all transportation in the USSR enables the government, in theory at least, to direct the operations of any transportation activity into channels considered to present the greatest national advantage. A discussion of "socialist competition" which is organized for the purpose of directing unit rivalry toward improved accomplishments is contained in the Merchant Shipping study (see C-3).

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4. The inland water transportation system is covered by specific rules dealing with safety and inspection. Equipment and facilities are supposed to be periodically inspected; derelictions call for severe punishment. The Ministry of the River Fleet is charged with the administration of safety and inspection regulations for all inland water transport. Laxity in the application of regulations is frequent. Accident investigations are carried out with much reliance upon local witnesses. Soviet authorities maintain that in such proceedings the logic of a situation, rather than legal technicalities, is the determining factor.
5. The state sponsors technical training schools under the authority of the Ministry of Labor Reserves. Training in inland water transport is included in the curricula as part of the general program of the state to develop transportation technicians.
6. In general, the inland waterways used by the USSR lie wholly within the Soviet Union, or in satellite and dominated areas where the USSR is able to dictate the terms of their international use. In some of these cases, such terms have been formalized in economic agreements containing clauses applying to various aspects of inland waterway operations. In the case of the Danube, Soviet policy has prevented the post-war resumption of the agreements which formerly regulated its international use. The USSR, meanwhile, has established joint companies in satellite riparian countries on terms which solidify Soviet control of the river below the western boundary of the Soviet Zone in Austria. At the same time, shipping of other countries which formerly used the Danube is excluded from this area.
7. The Ministry of the River Fleet requires detailed reports covering many aspects of operations. Such reports are used in the basic planning of the Ministries, and contribute important economic and statistical data required by the top-level programming work of the State Planning Commission.

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